

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7462

BILL NUMBER: HB 1313

NOTE PREPARED: Feb 26, 2013

BILL AMENDED: Feb 25, 2013

SUBJECT: Regulation of Residential Leases.

FIRST AUTHOR: Rep. Speedy

FIRST SPONSOR: Sen. Holdman

BILL STATUS: As Passed House

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill provides that a political subdivision may not adopt a regulation after February 28, 2013 relating to landlord and tenant relations, rental agreements, or real property subject to a rental agreement that:

- (1) requires an owner or landlord to be licensed or to obtain a permit from the political subdivision to lease a rental unit;
- (2) requires an owner or landlord to enroll or participate in a class or government program as a condition for leasing a rental unit; or
- (3) imposes a fee or other assessment for inspection of a rental unit, registration of an owner, landlord, or rental unit, or for any other purpose other than a fee relating to the construction of a rental unit, such as a building permit fee.

The bill provides that this prohibition expires July 1, 2014.

It also urges the Legislative Council to assign the topic of regulation of residential leases by political subdivisions to a study committee during the 2013 legislative interim.

Effective Date: March 1, 2013 (Retroactive); July 1, 2013.

Explanation of State Expenditures: The bill does not create a committee, but rather asks the Legislative Council to assign the topic of regulation of residential leases by political subdivisions to a statutory or interim committee.

If the Legislative Council were to assign this topic to an existing committee and the committee were to have

any extra meetings to address this topic, there would be additional expenditures for legislator per diem and travel reimbursement for the committee members. Any additional expenditures must be within the committee's budget.

Interim study committees operate on budgets established by the Legislative Council based on committee size. Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$9,500 per interim for committees with fewer than 16 members and \$16,500 for committees with 16 members or more.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) To the extent that a political subdivision is in the process of establishing a program to regulate residential rental property, no program or program fee could be adopted between March 1, 2013, and July 1, 2014.

State Agencies Affected: Legislative Council.

Local Agencies Affected: Political subdivisions.

Information Sources:

Fiscal Analyst: Karen Firestone, 317-234-2106.